USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

Required Report - public distribution

Date: 4/3/2009
GAIN Report Number: SG9005

Senegal

GRAIN

West Africa Regional Rice Annual

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Report Highlights:
This report is an update of SG8022, and confirms the forecasted recovery of rice production in West Africa in 2008/09, mainly as the result of good rainfall and governments and donor responses to soaring food prices. Despite conflicting reports on the extent of the increase in local rice production, several countries in the region – particularly the Sahelian countries - have made progress in expanding production and will likely continue do so in 2009/10 if rainfall conditions and inputs are available. Farmers' returns from the 2008/09 season will also impact incentives and area for the 2009/10. The significant increase in production of other cereals in 2008/09 may limit imports during the first semester of 2009.

Executive Summary:

As previously reported, West African countries responded to the food crisis (and good rains in 2008) by significantly increasing cereal production during the 2008/09 season. Across the sub-region, Post forecasts an increase in rice production by nearly 2% in 2009/10 if rainfall is abundant and well distributed throughout the region and governments continue and extend their support policies to rice growers and traders. Rice consumption growth across the region will be limited by larger stocks of other grains and higher prices of imported rice. This trend in rice consumption will be more significant during the first two quarters of 2009. Imports should increase and be concentrated during the May to October time frame. With increased domestic production, imports will likely decrease by at least 5% in most large importing countries. Trade restrictions will also continue to play a role in trade – either in the form of import restrictions during the rice harvest, or duty and VAT exemptions to control rising prices when imports are needed. Governments in the region have become much more active in national rice production programs and border interventions – many would argue to the detriment of both production and trade.

Exchange Rate: 1 US Dollar = 477 CFA, on March 23, 2009

Summary Table
Production, Imports, Consumption

Countries	Area Harvested (x1000 ha)		Production, Milled (X 1000 MT)		Imports (x 1000 MT		Consumption (x 1000 MT)	
	2008/ 09	2009/ 10	2008/ 09	2009/ 10	2008/ 09	2009/ 10	2008/ 09	2009/ 10
Benin	35	36	64	64	150	160	213	215
Burkina Faso	57	58	104	111	160	150	260	260
Cape Verde	0	0	0	0	24	25	24	25
Chad	110	110	105	105	7	8	81	82
Cote d'Ivoire	640	640	625	625	800	850	1,400	1,400
Gambia	20	20	25	25	94	95	78	75
Guinea	820	820	950	950	150	150	1,010	1,000
Guinea-Bissau	66	66	89	80	80	82	160	160
Mali	610	615	792	825	100	80	870	880
Mauritania	20	20	79	80	48	50	76	80
Niger	25	26	50	50	170	160	220	210
Senegal	115	120	195	208	860	700	800	800
Togo	32	32	42	42	85	85	120	125
Total	**2,550**	**2,566**	**3,082**	**3,136**	**2,728**	**2,595**	**5,362**	**5,452**

Source: CILSS Country Grain Reports and Forecasts "Bilans Céréaliers" – 2008/09 Forecasts; Post estimates for 2009/2010

Commodities:
Rice, Milled

Production:
Cereal production in West Africa is closely monitored by the Interstate Committee on Drought Prevention in the Sahel (CILSS) whose members include Chad, Niger, Burkina Faso, Mali, Senegal, Mauritania, Cape Verde, Gambia and Guinea-Bissau. CILSS hosts a number of meetings throughout the season to develop and then certify cereal production balance sheets in each country. This report also includes data on non-CILSS member West African Countries, such as Guinea, Cote d'Ivoire, Togo and Benin. The assessments made in CILSS member countries and other West African countries during the 2008/09 season are confirmed in most cases, although some national figures appear to be overstated. The overall rough production of grains in the CILSS and other West African countries is estimated at 56.4 Million tons, up by 17% compared to the 2007/08 harvest. This production is estimated at 17.8 million tons in the Sahel, up by 31% from to the previous growing season and by 30% when compared to the last five year average. The CILSS countries also achieved a record level of rough rice production of 2.7 million tons against 1.8 million tons in 2007/08, which corresponds to a 44% increase. The highest relative increases were achieved in Burkina Faso, Senegal, Niger, the Gambia and Mauritania according to CILSS. These records result from governments' inputs subsidy programs implemented in these countries, which increased farmers' access to seeds, fertilizers and tools.

As most governments are satisfied with the 2008/09 level of production, they pledge to continue supporting the production of staple cereals in general by providing subsidies for inputs and by developing production, processing, storage and marketing infrastructure. Special rice development programs have been established in major rice producing and consuming countries, namely Senegal, Mali, Burkina Faso, Guinea and Cote d'Ivoire. Others such as Mali and Burkina have and will continue to use export restrictions to limit the export of rice and other cereals to neighboring countries in order to keep domestic prices relatively lower. The Government of Senegal has maintained its commitment to boosting the rice sector and to this end it will maintain the development of irrigation infrastructures as the priority in major rice production regions. Also, efforts are being made to get the private sector involved further in investment and trade. Cote d'Ivoire has committed to invest nearly $36 million in its rice development program in order to increase domestic production from 700,000 tons to 900,000 tons and achieve self-sufficiency by 2012. In Guinea, the government has recently launched a similar program that will boost local production through concentrated investments in upland areas with the ultimate objective to reduce imports by 15% in 2009 and 85 % by 2018.

At the regional level, the West Africa Rice Development Center (WARDA) continues its rice development projects throughout the region. It has assisted Senegal to develop and test its first Nerica varieties, namely three rain fed varieties and four irrigation scheme varieties to be cultivated along the Senegal River valley. With these new varieties, yields are expected to increase from 1 to 4 to 5 tons per hectare for rain fed seeds and 11 to 13 tons for irrigated varieties.

With these perspectives, Post forecasts an increase in domestic production by nearly 2% in 2009/10 if rainfall is abundant and well distributed throughout the region and government support policies are maintained and extended.

Consumption:
Post forecasts a stable-to-slight decrease in rice consumption during the fist two quarters of 2009 because of the significant increase in other staple cereals such as millet, corn and sorghum, and the higher prices of imported rice. This trend is most likely to occur as indicated by the continuous decline in rice imports in major rice import countries such as Senegal and Cote d'Ivoire during the last semester of 2008. Also higher consumer prices may also limit the consumption of rice as a substitute staple. Overall rice consumption may be stable to slightly lower in 2009/10 in most large consumer countries such as Cote d'Ivoire, Guinea, Mali and Senegal. On the balance across the region, consumption in 2009/10 is expected to remain relatively flat as a slight increase in local production offsets imports.

Trade:
The revaluation of prices paid to local producers (CFA 250-300 per kilo) in most West African countries and other incentive measures resulted in a good 2008 harvest. The consequence may be a slight drop in 2009 imports. CILSS/AGRHYMET estimates commercial imports in 2008/09 at 1.6 million tons in CILSS member countries and exports (intra-regional) at 32,000 tons. West Africa will continue to be among the world's leading rice importers. Also FAO forecasts that even with lower consumer prices, export prices below US$400 per ton for top quality white rice could adversely affect producers and hamper rice development policies in many import countries. Many importers in Senegal for instance, state that it is more profitable to import such grades than collecting a scattered domestic production, which, in addition, does not guarantee good quality. In Cote d'Ivoire, traders threaten to lower their imports if consumer prices are kept low by the GOCI.

Across the Sahel, the prices of imported rice are currently exceptionally high, and in many countries prices of imported rice are even greater than those of local rice. However, in Senegal, one the leading rice importers, prices of imported rice declined in early 2009 compared to December 2008 as the result of abundant commercial stocks, lower transportation costs, and the government price control measures. But the current prices remain 34% higher than last year prices at the same period, and 46% than the last five year average.

Stocks:
See GAIN Report Number**: SG8022**

Policy:
Trade Policy
See GAIN Report Number: **SG7003** and **SG8022** .

In the West Africa, government over-exuberance to - on one hand - encourage local production and on the other hand control rice and cereal prices has led to a schizophrenic rice policy that disrupts market signals. Policies vary from country to country according to levels of domestic production and import dependence, but in general, governments are working hard to control imports as a mechanism to control prices. Imports are restricted to protect local production, and then encouraged (often with tax and duty exemptions) when prices get too high.

The Government of Senegal has returned to its open and free market policy by lifting its policy that provided exemptions consumer subsidies in 2008. Despite the increased domestic production, average consumer prices are still relatively high, up to $1 per kilo. In early 2009, the government of Cote d'Ivoire announced the suspension of import customs

taxes for rice in order to keep the consumer prices at their levels of April 2008. This measure will apply to the first quarter of 2009. In Mali, the same measures were taken in February 2009 by the government despite a reported record level of domestic production. A quota of 40,000 tons has been authorized to be imported in order to cover the expected deficit during the first quarter of 2009. The government has established prices at which the rice will be marketed. Post estimates import needs in Mali at 100,000 tons for this market year. In Burkina Faso, despite the reported record level of domestic rice production, prices are still high. This market trend is explained by exports to neighboring countries despite the ban imposed by the GOBF and by increase in purchases by institutions. Other reasons could be the holding of stocks by traders and producers, the lack of financing and some organizational weaknesses related to the collection and marketing of grains.

Marketing:

There has growing protest within regional economic organizations of the measures taken by individual countries to ban grains exports, in violation of WAEMU and ECOWAS free market and free circulation of goods principles and policies. WAEMU has also recently initiated a study to explore the possibility of regionally managed food security stocks. While these stocks would typically be held in local cereals and not rice, the objective would be to control prices and protect the most vulnerable populations from food insecurity.

Production, Supply and Demand Data Statistics:

Rice, Milled Benin	2007 2007/2008 Market Year Begin: Jan 2008			2008 2008/2009 Market Year Begin: Jan 2009			2009 2009/2010 Market Year Begin: Jan 2010			
	Annual Data Displayed		New Post Data	Annual Data Displayed		New Post Data	Annual Data Displayed		Jan Data	
Area Harvested	29		27	30		35			36	(1000 HA)
Beginning Stocks	0		0	0		3			4	(1000 MT)
Milled Production	43		46	57		64			64	(1000 MT)
Rough Production	67		72	89		100			100	(1000 MT)
Milling Rate (.9999)	6,400		6,400	6,400		6,400			6,400	(1000 MT)
MY Imports	150		150	150		150			160	(1000 MT)
TY Imports	100		100	100		150			150	(1000 MT)
TY Imp. from U.S.	3		3	0		0			0	(1000 MT)
Total Supply	193		196	207		217			228	(1000 MT)
MY Exports	0		0	0		0			0	(1000 MT)
TY Exports	0		0	0		0			0	(1000 MT)
Total Consumption	193		193	207		213			215	(1000 MT)
Ending Stocks	0		3	0		4			13	(1000 MT)
Total Distribution	193		196	207		217			228	(1000

										MT)
Yield (Rough)	2.		2.6667	3.		2.8571			2.7778	(MT/HA)
TS=TD			0			0			0	
Comments										
AGR Number										
Comments To Post										

Rice, Milled **Burkina**	**2007** **2007/2008** **Market Year Begin: Jan 2007**			**2008** **2008/2009** **Market Year Begin: Jan 2008**			**2009** **2009/2010** **Market Year Begin: Jan 2009**			
	Annual Data Displayed		**New Post Data**	**Annual Data Displayed**		**New Post Data**	**Annual Data Displayed**		**Jan Data**	
Area Harvested	50		50	57		57			58	(1000 HA)
Beginning Stocks	0		0	0		19			69	(1000 MT)
Milled Production	46		45	85		130			133	(1000 MT)
Rough Production	71		69	131		200			205	(1000 MT)
Milling Rate (.9999)	6,500		6,500	6,500		6,500			6,500	(1000 MT)
MY Imports	125		125	125		130			100	(1000 MT)
TY Imports	125		125	125		130			100	(1000 MT)
TY Imp. from U.S.	5		5	0		4			0	(1000 MT)
Total Supply	171		170	210		279			302	(1000 MT)
MY Exports	0		0	0		0			0	(1000 MT)
TY Exports	0		0	0		0			0	(1000 MT)
Total Consumption	171		170	210		210			220	(1000 MT)
Ending Stocks	0		0	0		69			82	(1000

										MT)
Total Distribution	171		170	210		279			302	(1000 MT)
Yield (Rough)	1.		1.38	2.		3.5088			3.5345	(MT/HA)
TS=TD			0			0			-0	
Comments										
AGR Number										
Comments To Post										

Rice, Milled Cote d'Ivoire	**2007**			**2008**			**2009**		
	2007/2008			**2008/2009**			**2009/2010**		
	Market Year Begin: Aug 2007			**Market Year Begin: Aug 2008**			**Market Year Begin: Aug 2009**		
	Annual Data Displayed		**New Post**	**Annual Data Displayed**		**New Post**	**Annual Data Displayed**	**Jan**	
			Data			**Data**		**Data**	
Area Harvested	633		633	640		640		640	(1000 HA)
Beginning Stocks	158		158	110		60		15	(1000 MT)
Milled Production	606		606	625		625		625	(1000 MT)
Rough Production	1,102		1,102	1,136		1,136		1,136	(1000 MT)
Milling Rate (.9999)	5,500		5,500	5,500		5,500		5,500	(1000 MT)
MY Imports	961		961	755		760		800	(1000 MT)
TY Imports	980		980	800		800		800	(1000 MT)
TY Imp. from U.S.	15		15	0		5		10	(1000 MT)
Total Supply	1,725		1,725	1,490		1,445		1,440	(1000 MT)
MY Exports	0		0	0		0		0	(1000 MT)
TY Exports	0		0	0		0		0	(1000 MT)
Total Consumption	1,615		1,615	1,430		1,430		1,440	(1000 MT)

Ending Stocks	110		110	60		15		0	(1000 MT)
Total Distribution	1,725		1,725	1,490		1,445		1,440	(1000 MT)
Yield (Rough)	2.		2.	2.		1.775		1.775	(MT/HA)
TS=TD			0			0		0	
Comments									
AGR Number									
Comments To Post									

Rice, Milled **Mali**	**2007** **2007/2008** **Market Year Begin: Jan 2008**			**2008** **2008/2009** **Market Year Begin: Jan 2009**			**2009** **2009/2010** **Market Year Begin: Jan 2010**			
	Annual Data Displayed		**New Post Data**	**Annual Data Displayed**		**New Post Data**	**Annual Data Displayed**		**Jan Data**	
Area Harvested	392		392	425		610			615	(1000 HA)
Beginning Stocks	0		0	0		0			22	(1000 MT)
Milled Production	714		714	759		792			825	(1000 MT)
Rough Production	1,082		1,082	1,150		1,200			1,250	(1000 MT)
Milling Rate (.9999)	6,600		6,600	6,600		6,600			6,600	(1000 MT)
MY Imports	100		100	100		100			80	(1000 MT)
TY Imports	100		100	100		100			80	(1000 MT)
TY Imp. from U.S.	0		0	0		0			0	(1000 MT)
Total Supply	814		814	859		892			927	(1000 MT)
MY Exports	0		0	0		0			0	(1000 MT)
TY Exports	0		0	0		0			0	(1000 MT)
Total Consumption	814		814	859		870			880	(1000 MT)
Ending Stocks	0		0	0		22			47	(1000 MT)
Total Distribution	814		814	859		892			927	(1000

										MT)
Yield (Rough)	3.		3.	3.		1.9672			2.0325	(MT/HA)
TS=TD			0						0	
Comments										
AGR Number										
Comments To Post										

Rice, Milled **Niger**	**2007** **2007/2008** **Market Year Begin: Jan 2007**			**2008** **2008/2009** **Market Year Begin: Jan 2008**			**2009** **2009/2010** **Market Year Begin: Jan 2009**			
	Annual Data Displayed		**New Post Data**	**Annual Data Displayed**		**New Post Data**	**Annual Data Displayed**		**Jan Data**	
Area Harvested	22		22	23		25			26	(1000 HA)
Beginning Stocks	0		0	0		0			34	(1000 MT)
Milled Production	46		46	48		84			86	(1000 MT)
Rough Production	70		70	73		128			130	(1000 MT)
Milling Rate (.9999)	6,600		6,600	6,600		6,600			6,600	(1000 MT)
MY Imports	125		125	170		200			170	(1000 MT)
TY Imports	125		125	170		170			160	(1000 MT)
TY Imp. from U.S.	0		0	0		0			0	(1000 MT)
Total Supply	171		171	218		284			290	(1000 MT)
MY Exports	0		0	10		0			0	(1000 MT)
TY Exports	0		0	0		0			0	(1000 MT)
Total Consumption	171		171	208		250			210	(1000 MT)
Ending Stocks	0		0	0		34			80	(1000 MT)

Total Distribution	171		171	218		284			290	(1000 MT)
Yield (Rough)	3.		3.	3.		5.12			5.	(MT/HA)
TS=TD			0			-0			0	
Comments										
AGR Number										
Comments To Post										

Rice, Milled **Senegal**	**2007** **2007/2008** **Market Year Begin: Aug 2007**			**2008** **2008/2009** **Market Year Begin: Aug 2008**			**2009** **2009/2010** **Market Year Begin: Aug 2009**			
	Annual Data Displayed		**New Post Data**	**Annual Data Displayed**		**New Post Data**	**Annual Data Displayed**		**Jan Data**	
Area Harvested	80		80	105		115			120	(1000 HA)
Beginning Stocks	88		88	80		80			214	(1000 MT)
Milled Production	125		125	195		234			234	(1000 MT)
Rough Production	192		192	300		360			360	(1000 MT)
Milling Rate (.9999)	6,500		6,500	6,500		6,500			6,500	(1000 MT)
MY Imports	700		700	700		700			700	(1000 MT)
TY Imports	700		700	700		860			700	(1000 MT)
TY Imp. from U.S.	40		40	0		0			0	(1000 MT)
Total Supply	913		913	975		1,014			1,148	(1000 MT)
MY Exports	0		0	0		0			0	(1000 MT)
TY Exports	0		0	0		0			0	(1000 MT)
Total Consumption	733		733	785		800			800	(1000 MT)

Ending Stocks	80		80	90		214			348	(1000 MT)
Total Distribution	913		913	975		1,014			1,148	(1000 MT)
Yield (Rough)	2.		2.	3.		3.1304			3.	(MT/HA)
TS=TD			0			0			0	
Comments										
AGR Number										
Comments To Post										